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# THE GEOGRAPHICAL REVIEW

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VOL. IX

SEPTEMBER, 1920

No. 9

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## THE PROBLEM OF SANTO DOMINGO

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An interesting experiment in American statesmanship was inaugurated by the action of the United States when, in April, 1916, American marines landed at old San Geronimo castle, near Santo Domingo City, and the first step was taken in the American occupation of the Dominican Republic. Threatened civil war was thus averted, and, after some armed resistance had been overcome and political obstacles had been finally removed, a proclamation was issued on November 29, by Captain (now Rear Admiral) H. S. Knapp, commander of the American naval forces in Dominican waters, declaring the republic under the military administration of the United States.

The problems resulting from this action are many, and one seeks in vain for any clear statement to guide our policy in the administration of the affairs of a weaker nation, whose irresponsible political career has more than once forced her upon the attention of the United States. The attempt to secure the development of rich natural resources without exploitation, to protect ourselves against disorders without denying the right of our neighbors to self-government, is fraught with difficulties. Yet in the adequate solution of these problems must lie the justification for the presence of the military power of the United States in the Dominican Republic.

### HISTORICAL SKETCH

In many ways Santo Domingo makes a strong appeal to our interest. Historically, her connection with the adventures of Columbus and the first white settlement in the Western hemisphere endows her with a glamour of romance, which has been deepened by her four hundred years of turbulent history. Her geographical situation on the great trade route between the

Old World and the New, her economic resources, and the character of her people furnish the elements of a particularly significant study for the thoughtful American, in view of the recent developments in the relations between our Government and the smaller republic.

The doleful tale of Santo Domingo's long-continued attempt at self-government, with its bewildering succession of presidents and its lurid record of revolution and bloodshed, is matter of history.<sup>1</sup> Irresponsible finance and flagrant disregard of her international obligations finally brought the republic into conflict with certain European powers. Under the threat of invasion, the Dominican Government appealed to the United States for help. An arrangement was accordingly made, in 1905, under which the United States Government assumed the management of the Dominican public debt and the control of her customs administration. The debt was funded, the foreign creditors appeased, and the customs honestly and efficiently managed.

For some time things went fairly well, and considerable improvement in the country's economic condition followed. But the old habits were not to be so easily thrown off. Once more bandits arose and revolutions broke out in the good old way. A new national debt grew up, in violation of the agreement with the United States. This breach of faith and the increasing disorders finally led to the American occupation in 1916. Since then the Military Government has administered the legislative and executive departments of the national government. The judicial branch and the main control of local government have been left in the hands of the Dominicans.

In the winter of 1917-1918 the writer served as financial adviser to the Military Government, and it is upon observations made at that time, supplemented by later information from the Military Government, that this article is mainly based.

#### AN ISLAND OF VAST AND VARIED RESOURCES

The island of Santo Domingo, or Haiti, lies midway between Cuba and Porto Rico in the long chain of the West Indies. It is divided between the republics of Haiti and Santo Domingo, the latter occupying the eastern two-thirds of the island and having an area of about 18,000 square miles, about the combined area of New Hampshire and Vermont. It is five times the size of Porto Rico. Its greatest length is 260 miles and its greatest breadth 170. Its coast line, quite irregular and indented with large bays and good harbors, is more than 1,000 miles in length. Puerto Plata, the principal northern city, is some 1,250 miles from New York and 700 miles from Havana, Cuba.

A central mountain range, the Cordillera de Cibao, divides the country into two great regions. On the north is a wonderfully fertile valley, some

<sup>1</sup> See in particular Otto Schoenrich: *Santo Domingo; A Country With a Future*, The Macmillan Co., New York, 1918.

150 miles in length and from 10 to 15 miles wide, which, with the rich slopes to the north, is known as the Cibao. On the other side of the mountain range is the great southeastern plain, extending from the Jaina River west of Santo Domingo City to the eastern extremity of the island, 175 miles long and about 30 miles wide. This area, known as the Seibo Plain, also has fertile soil and favorable climate. A considerable area in the western part of the country is arid and unsuited to agriculture except with irrigation. The central portion of the republic is mountainous, containing some features that are distinctly imposing. Loma Tina rises to an altitude of over

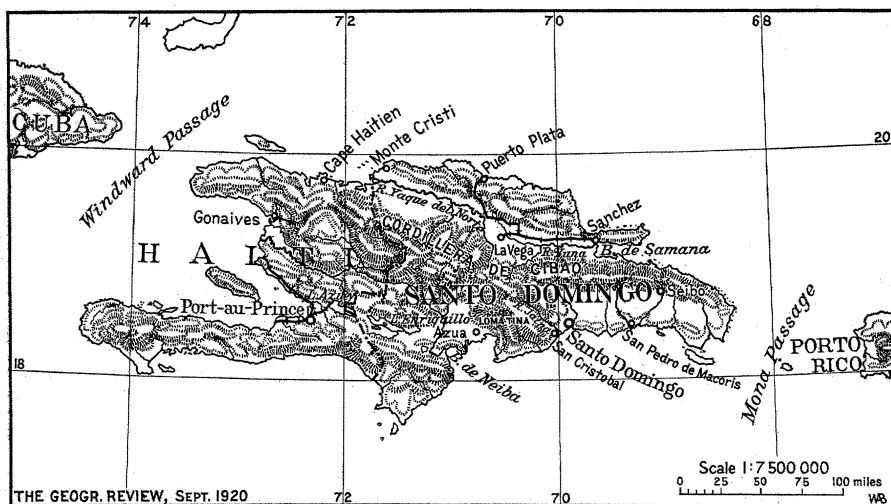


FIG. 1.—Sketch map of Santo Domingo.

10,000 feet and is the highest peak in the West Indies. There are several large rivers, generally torrential and often losing much of their water through seepage into the soil before reaching the sea. The only lakes of any size are Lake Enriquillo and Lake Azuey in the western part near the Haitian border. Though scarcely five miles apart Enriquillo is 102 feet below, and Azuey 56 feet above, sea level. Both are salt lakes and are said to have no outlets.

Santo Domingo has a delightful climate, a soil of great fertility, and a remarkable abundance and variety of natural resources; yet four hundred years of white settlement have scarcely witnessed the beginning of material development. Economically she is still a primitive community.

#### LEADING PRODUCTS

The leading products of the country are agricultural, the most important being sugar, cacao, tobacco, coffee, skins and hides, bananas and some other fruits, honey and wax, cotton and other vegetable fibers, coconuts, etc. There is almost nothing in the way of general farming or truck gardening

beyond the small garden patch that supplies the family table. Many agricultural products that could apparently be raised in the country are imported. For example, rice is one of the chief articles of diet of the people and is practically all imported. Considerable areas are suited to grazing, but there has been little development along this line. The cattle are of inferior breed, and the native meat can scarcely be considered a delicacy. Milk and butter are almost unknown.



FIG. 2.—The gate of San Diego, Santo Domingo City. This, called also the Gate of the Admiral, is one of the three original gates of the city. It is near the ruins of the house of Diego Columbus and affords communication, through the old city wall, from the wharves to the city.

The country is rich in timber of various kinds, including mahogany, *lignum vitæ*, and other valuable woods. A small amount is obtained for local use, and a little is exported. Near the chief seaports the supply of marketable timber is pretty well exhausted, while the enormous forest resources of the interior are virtually untouched. There is no extensive logging or lumbering industry at present, the chief obstacle being lack of transportation facilities.

Little is known of the nature or extent of the country's mineral resources. From time immemorial the natives have washed gold from the river sands, and these deposits appear to be widespread. There is some mining of copper. Oil has been found but not successfully marketed. Various other minerals are said to be abundant. It is possible that considerable mineral wealth awaits future discovery and development.

The waters surrounding the island abound in fish, but no important fisheries are developed.

With the single exception of the sugar mills, there is no very important manufacturing industry. A few distilleries and some small factories for the making of soap, cigars, cigarettes, candles, etc., are almost all there is beyond the stage of simple domestic handicrafts; and even here there is only slight development.



FIG. 3—Old houses and fortifications, Santo Domingo City. The city, founded by Bartholomew Columbus in 1496, is the oldest white settlement in the New World. (Photograph by the late Theodoor de Booy.)

### THE SUGAR INDUSTRY

The one up-to-date enterprise is the sugar industry. The soil of Santo Domingo is remarkably suited to the growing of sugar cane, and the climate is favorable. So rich is the soil that cane will grow from the same roots for ten or even twenty years, whereas in Porto Rico replanting is generally necessary every three years. Sugar plantations have developed rapidly in recent years. Much foreign capital, principally American and Italian, is invested in the sugar estates and in the grinding mills, plantation railroads, irrigation systems, and other equipment. These establishments are great business enterprises, thoroughly up-to-date in plant and organization. Besides the cane raised on the estates a very considerable product is grown on small plantations by native *colonos*, who sell it under contract to the mills. The sugar estates and mills give employment to many Dominican

laborers; but the supply of native labor is not sufficient to harvest the crop, and the companies bring in laborers from the neighboring islands, returning them at the end of the season. The sugar is ground on the island or in the neighboring mills of Porto Rico, but there is no refining of sugar in Santo Domingo. San Pedro de Macoris, in the vicinity of which most of the large plantations are situated, is the chief sugar-exporting port.

#### TRANSPORTATION

Means of transportation are in a very backward state. There are two railroads, with a combined length of barely 150 miles. They connect the two chief ports of the northern half of the island, Puerto Plata and Sanchez, with the rich interior. The sugar estates have their own private railway systems, mostly narrow gage. There are about 125 miles of such railways. Electric railways do not exist. A few years ago good roads were practically unknown. Since the American occupation some progress has been made in the construction of first-class roads, of which about 180 miles have been completed. Except for these few modern highways, the people depend on the most primitive country roads and trails. Transportation on land is generally by pack animals and rude carts, with a few motor-bus lines operating between cities connected by roads. Large parts of the country are practically inaccessible, especially in the rainy season.

Most of the important towns are on the seacoast, and transportation between them is by boat, with poor and irregular service. Needless to say, internal commerce is only slightly developed, though inadequate transportation is not the only cause.

#### FOREIGN COMMERCE

Foreign commerce, on the other hand, is of great importance. Since the Dominicans devote themselves so completely to agriculture and the simplest industries, they are compelled to rely upon foreign trade for almost everything they need in the way of manufactured goods. The figures of exports and imports make a very respectable showing for a country of the size and character of Santo Domingo, and the absolute dependence of the people upon imported goods makes the foreign trade even more important than the mere figures would indicate. The accompanying table (Table I) shows the value of imports and exports during recent years.

The table testifies to the large growth of the country's foreign trade since the Customs Receivership began compiling the statistics. It should be remembered, however, that a considerable part of this increase is only nominal, being the result of rising prices. It is evident that Santo Domingo has a large excess of exports—what is popularly called a “favorable balance of trade.” Part of this balance represents payment of interest and amortization upon the national debt, practically all of which is held abroad. This calls for a heavy tribute averaging about \$2,000,000 a year. Another factor

in the trade balance is the large investment of foreign capital in the country's industries, particularly the sugar estates. Interest and profits paid to foreign investors account for millions of dollars of exports. Like every debtor nation, Santo Domingo must thus pay with her products an annual charge to her foreign creditors. Only the excess above this charge gives her the power to command imports of foreign goods.

TABLE I—FOREIGN COMMERCE

	EXPORTS	IMPORTS
1905	\$6,986,098	\$2,736,828
1906	6,536,378	4,065,437
1907	7,628,356	4,948,961
1908	9,396,487	4,767,775
1909	8,113,690	4,425,913
1910	10,849,623	6,257,691
1911	10,995,546	6,949,662
1912	12,385,248	8,217,898
1913	10,469,947	9,272,278
1914	10,588,787	6,729,007
1915	15,209,061	9,118,514
1916	21,527,873	11,664,430
1917	22,444,580	17,581,814
1918	22,376,574	20,168,952

The principal articles of export are the products of the country's extractive industries already named. Table II shows the values of the most important articles exported in the year 1918.

TABLE II—VALUE OF CHIEF EXPORTS, 1918

Sugar (raw)	\$11,991,399
Sugar cane	513,402
Molasses (of sugar)	142,356
Cacao	3,917,012
Tobacco leaf	3,623,780
Coffee	536,573
Honey	584,779
Beeswax	163,137
Goat skins and cattle hides	169,156

The imports into the country represent a great variety of necessities, most of them, though not all, being manufactured articles. The sixteen principal groups, with their values in 1918, as analyzed by the Customs Receivership, are given in Table III.



TABLE III—VALUE OF CHIEF IMPORTS, 1918

Cotton and manufactures of cotton . . . . .	\$3,643,806
Vegetable fibers, and manufactures of . . . . .	1,088,426
Rice . . . . .	2,543,320
Wheat flour . . . . .	512,786
Foodstuffs (except rice and wheat flour) . . . . .	1,375,458
Hides and skins, and manufactures of . . . . .	782,562
Mineral oils . . . . .	619,274
Woods, and manufactures of . . . . .	475,710
Iron and steel, and manufactures of . . . . .	1,501,531
Machinery and apparatus . . . . .	1,888,292
Agricultural machinery, tools, and implements . . . . .	238,045
Automobiles . . . . .	199,265
Other cars, carriages and vehicles, and parts . . . . .	427,832
Chemicals, drugs, oils, fats, etc. . . . .	352,468
Liquors and beverages . . . . .	345,416
Cement . . . . .	227,065

## BUSINESS AND SOCIAL CONDITIONS

Business organization in Santo Domingo is generally very primitive. With a few notable exceptions there is no development of "big business." Few enterprises are incorporated. There are three banks. Two of them are branches of the International Banking Corporation of New York and of the Royal Bank of Canada respectively. They are important institutions and do a considerable business, mainly in the cities. The Banque Nacional is a local institution of less importance. The country districts are very poorly supplied with banking facilities. The sugar mills and estates are the largest and most highly organized enterprises. They belong to corporations of foreign investors. The single large banana plantation belongs to a foreign corporation. The rest of the country's agricultural industry is in the hands of individuals and small companies. Copper mining is being carried on in a small way by a corporation with foreign capital. There are no large interests engaged in cattle raising or logging. One of the railroads belongs to the Dominican Government; the other is the property of a corporation of English and Scotch capitalists. There are no other large corporations engaged in the transportation business except the steamship companies. Water transportation with the outside world is in the hands of foreign steamship companies; there are just two locally owned steamboats, each the property of a Dominican corporation. Communication by telephone, telegraph, and wireless is in the hands of the Government. The French Cable Company owns the submarine cable and a few land telegraph wires.

There is little accumulation of wealth among the people. A very few persons might be called moderately wealthy; only a small number could be classed as even well-to-do. The great mass of the population is distinctly



FIG. 4



FIG. 5

FIG. 4—Preparing an old sugar cane field for replanting. The soil of the Dominican cane lands is so rich that replanting is only necessary every ten years or more. (Photograph by the courtesy of Bartram Bros., New York.)

FIG. 5—Raising bulls for cane hauling. (Photograph by the courtesy of Bartram Bros., New York.)

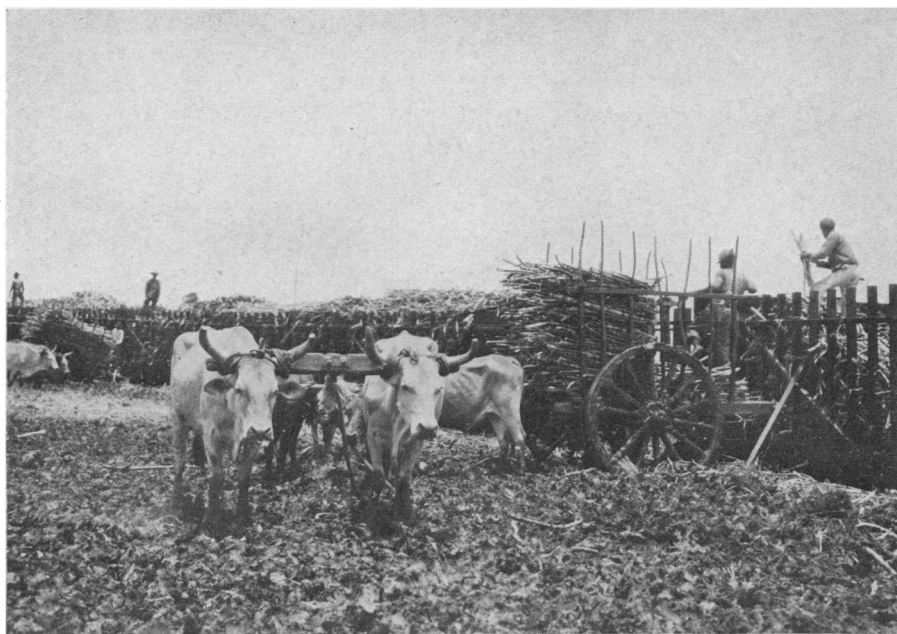


FIG. 6

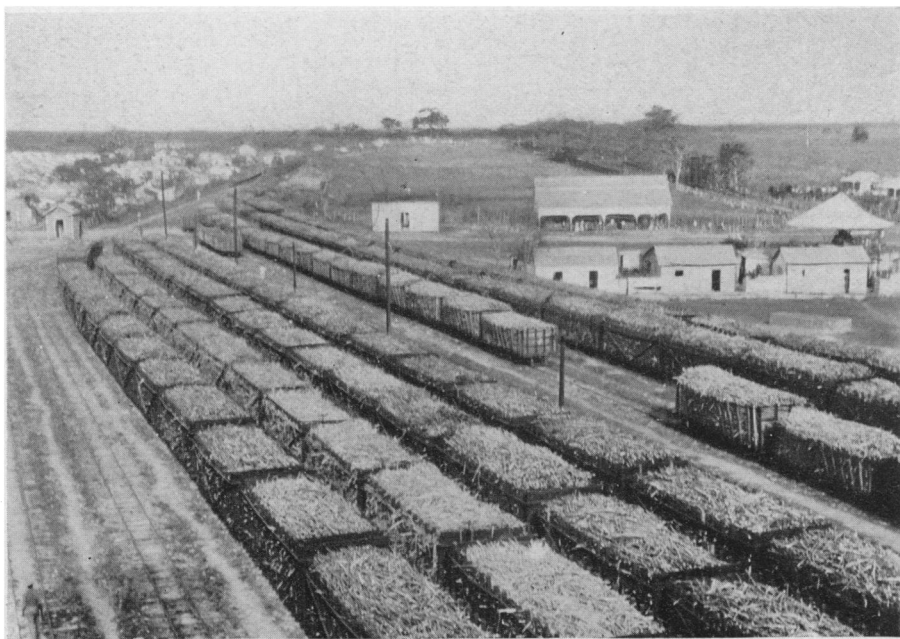


FIG. 7.

FIG. 6—Cane transportation from the field to the railroad by bullock carts. (Photograph by the courtesy of Bartram Bros., New York.)

FIG. 7—Sugar cane in cars waiting to be milled or ground. (Photograph by the courtesy of Bartram Bros., New York.)

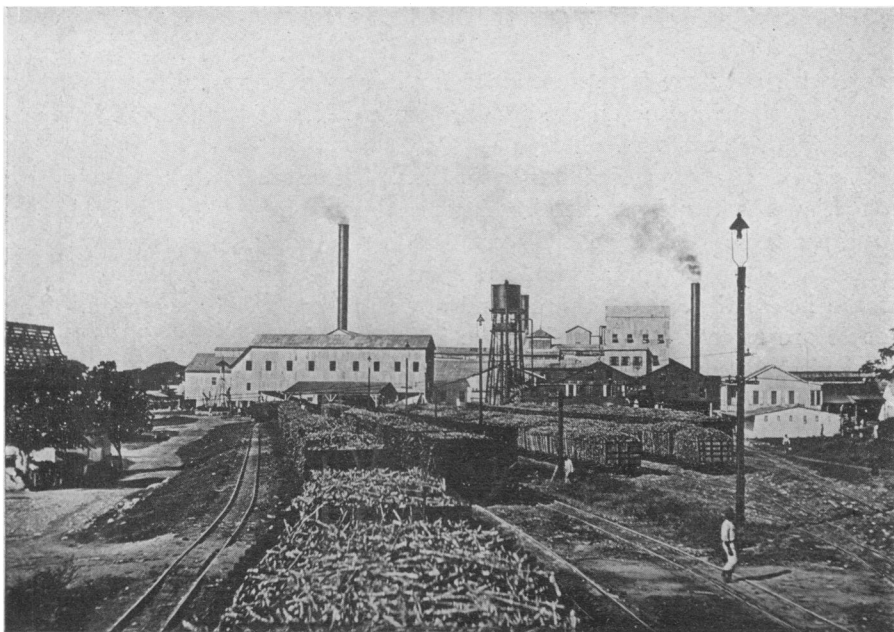


FIG. 8

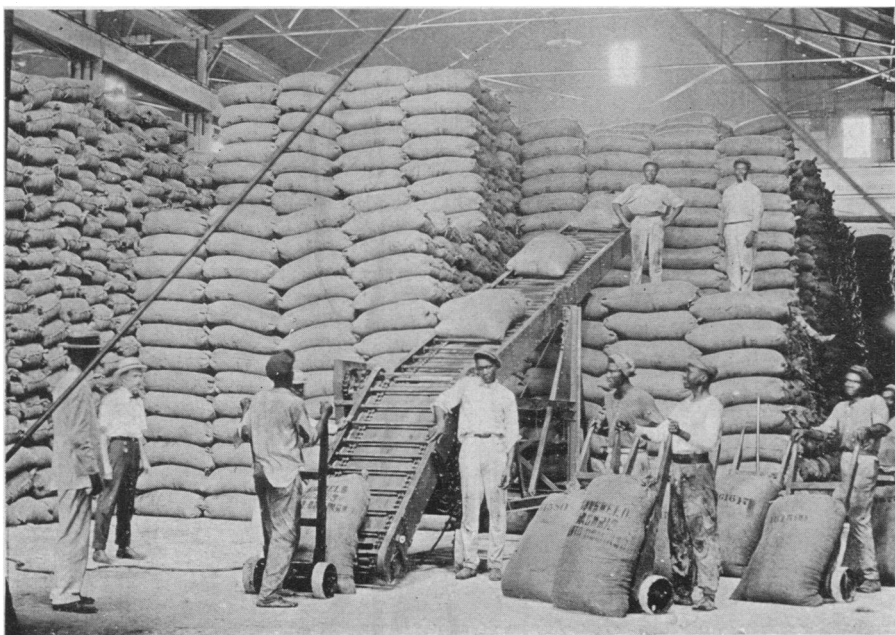


FIG. 9

FIG. 8—Sugar factory of the American-owned Consuelo estate in the neighborhood of San Pedro de Macoris. This factory has an annual production of 35,000 tons of raw sugar. (Photograph by the courtesy of Bartram Bros., New York.)

FIG. 9—Raw sugar in the warehouse awaiting shipment. (Photograph by the courtesy of Bartram Bros., New York.)

poor, with only the bare necessities for life on a low standard of living. However, the climate and the bounty of nature make it an easy matter to maintain this standard.

The educational system is very primitive. There are no important private educational institutions, the church does almost nothing in this field, and the little that is done by the Government is wholly inadequate.

Although the Roman Catholic religion is recognized in the constitution as the national religion, church and state are practically separate. The people are mostly Catholic, but the influence of the church is declining, particularly among the men. There are no large holdings of land or other wealth in the hands of the church or of religious orders.

### POLITICAL ORGANIZATION

Politically Santo Domingo is a republic, at least in name, with the ordinary legislative, executive, and judicial branches. The chief executive is the President. His cabinet comprises the secretaries who head the seven departments. The national congress consists of a senate and a chamber of deputies. The country is divided into twelve provinces, which are subdivided into 65 communes. The provincial governments are of little importance. Their functions are primarily military, and they have little to do with the civil government. Their governors are appointed by the President. Before the American occupation they were usually local chiefs or bandits who, through their control of the military system, were largely independent of and often in revolt against the national government. The communes are the seats of local government, though they have less autonomy than the towns and counties of the United States. Their organization and functions are prescribed by the national constitution and laws, and the national government exercises a good deal of control over local affairs.

### THE PEOPLE

The Dominicans are an interesting people—a mixed race of Spanish and negro blood with a strain of the Indian. They are kindly, courteous, and friendly, with many admirable qualities. Their wants are few, and their lives are simple. Contrary to the popular impression created by their unsavory record of revolution and disorder, they are generally of a most peaceful disposition. But among them is a sufficient number of the lawless and violent to keep the country in turmoil. These are the bandits, whose operations have continued to some extent even under the American occupation. They are the material which furnished the “generals” and “presidents” in the former days of independence. This small class is probably the only element of the population which is not satisfied with American rule. But until this generation has passed away, restoration of independence would almost certainly bring a recrudescence of the old disorders.

## NATIONAL FINANCE

To the student of public finance the Dominican Republic offers a field of unusual interest. In no other aspect of their national life did the Dominicans exhibit to such a degree their failure in self-government. In fact it is no exaggeration to say that finance was the rock upon which their ship of state was wrecked. Their tax system, resting almost exclusively upon customs and excise duties, bore no slightest mark of an attempt to distribute justly the costs of government. Public expenditures were made in the interests of the group of "patriots" for the time being in control of the government and wholly without regard to the development of the nation or the welfare of its people. It was the revenues of the customhouse that furnished the bone of contention for revolutionists and rival presidents. It was disregard of the obligations of its national debt that brought the country into conflict with the governments of its European creditors in 1904 and led to the agreements of 1905 and 1907 under which the United States took charge of the customs administration and the national debt. And finally, failure to live up to the financial terms of this agreement and collapse of the internal revenue system were the chief causes of the intervention of the United States in 1916.

The national revenues in the year 1916 amounted to \$4,709,518. Of this total, \$4,035,355, or 86 per cent, came from customs taxes, including duties on exports as well as imports. The customs, being since 1905 in the hands of the American Customs Receivership, presented the unique spectacle of an honest and efficient administration, with correspondingly large returns. Other parts of the revenue system were in the hands of the Dominicans. Excise taxes, of a bewildering variety, produced \$401,757, less than 9 per cent of the total revenues. License and business taxes yielded the small sum of \$201,178, and all other sources together produced the remaining \$71,228.

The most significant feature of this revenue system is the complete reliance upon indirect taxes. We look in vain for anything in the way of a property tax or an income tax. No attempt had apparently ever been made to adjust the burdens of taxation to the ability of the people to pay. The indirect taxes were mainly on necessities of life, as such taxes must always be if they are to yield a large revenue. Such taxes are notoriously a burden upon the poor, their pressure growing constantly lighter as we ascend the scale of economic well-being. It was perfectly evident that their taxes added much to the cost of living and put many important articles practically out of the reach of the mass of the people. Such taxes are also a check upon business and an obstacle to the economic development of the country. On account of the efficient administration of the heavy customs duties, and in spite of the lax management of the rest of the tax system, the total of the national revenues was actually a large amount in consideration of the circumstances of the country. An annual revenue of \$5,000,000 was contributed by a

population of probably not over 500,000 or 700,000. That meant a per capita tax of seven to ten dollars—a heavy burden in view of the poverty of the people and the country's backward economic development.

The finances of the provinces are of little importance. They have no independent sources of revenue and receive no contributions from the communes. Their wants, consisting of a few salaries and office expenses are met directly out of the national budget.

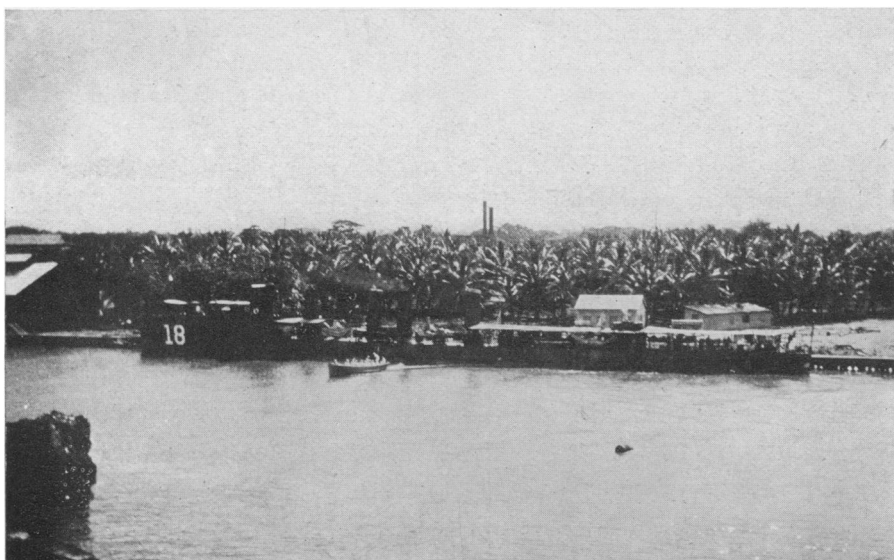


FIG. 10—Eastern bank of the Ozama River, Santo Domingo City. (Photograph by the late Theodoor de Booy.)

### MUNICIPAL FINANCE

The communes of Santo Domingo enjoy the most extraordinary revenue system that the present writer has ever met. There are no official reports of communal finance. Through the kindness of the National Controller General the writer secured reports from nearly all the communes covering the revenues of 1916 and the budget estimates of 1917. From these reports it was possible to identify some 33 different kinds of revenue, besides an unknown collection masked under the title of "miscellaneous." The total revenues in 1916 were \$750,000. Nearly half came from licenses and business taxes. Almost half the balance was from customs and octroi duties. There was almost nothing in the way of direct taxes. Among the monstrosities in this bewildering collection, we note a communal customs tariff on goods imported into the country, which is entirely independent of the national customs. Each commune imposes its own rates, which of course tend to destroy the character of the national tariff system and add greatly to its burdens. There are a communal export tax on sugar and a system of communal port dues. The license and business taxes stretch their deadly

tentacles over a great number of occupations and are a heavy burden on industry. In the whole local system it would be hard to find a single example of sound taxation.

#### EFFECTS OF AMERICAN OCCUPATION

In the three years of American occupation, the Military Government has gone far in justifying its presence, even in the eyes of the Dominicans themselves. With some occasional lapses law and order have been maintained



FIG. 11.—Native boats on the Ozama River at Santo Domingo City. (These boats are dugouts; they bring charcoal and country produce to the city market.)

throughout the greater part of the country. The cities and adjacent country districts are as safe as any American community. The control of the national government, particularly the finances, has removed the chief inducement to revolutionary uprisings. Apparently the great majority of the Dominicans are well pleased with the results and would be the first to protest against a return to independence and lawlessness.

The Military Government is taking an active and intelligent interest in every phase of national development. Agriculture is being promoted by experiment stations, agricultural education, and the dissemination of information among the people. In every branch of industry the Government is seeking to aid the people to develop intelligently the national resources. The discouraging problem of public education has been vigorously attacked. Finally the two directions in which the Military Government shows the most important results are public works and finance.

Mention has been made of the poverty of transportation facilities. The problem of good roads was one of the first to which the Military Govern-



ment set itself. Practically all the progress that has been made in modern road building is due to its efforts, and it is rapidly pushing forward the execution of a broad plan for a national system of highways. Nothing could possibly be of greater immediate service to the nation. The Military Government has also taken hold of the Dominican Railroad and is putting it into shape for efficient service. Improvements in harbors, construction of docks and customhouses, and installation of machinery for loading and unloading ships are other examples of an intelligent policy of public works. The cost of these improvements is being met out of the Dominican revenues, which have shown a healthy growth under American occupation.

### REFORM OF THE FINANCIAL SYSTEM

As finance was the Dominicans' worst stumbling block, so finance offers the Military Government its greatest opportunity for service. Even before the American occupation the national debt had been put on a sound foundation, and the customs faithfully administered, through the good offices of the United States. Under the control of the Customs Receivership, customs revenues increased from \$2,500,000 in 1905-1906 to \$5,333,000 in 1917, though the war's interference with foreign commerce caused a decline of about \$1,000,000 in 1918. The occupation of 1916 gave the Military Government an opportunity to show what could be done by equally honest and efficient administration of the internal revenue system. The revenue from this source was \$674,000 in 1916. Next year it nearly doubled (\$1,234,000), and in 1918 it was \$1,701,000. The total gross revenues in 1918 were over \$6,000,000. Besides administrative improvements the Military Government has changed the customs and internal revenue laws so as to render them more equitable and less burdensome on the country's trade and industry.

The most important change in the fiscal system was the introduction of a national property tax (promulgated April 19, 1919). The law places a tax upon land and permanent improvements, including industrial machinery, railroad and mining equipment, and ships, and a tax upon titles to undivided lands. Lands are taxed at progressive rates from one-half of one per cent to two per cent, according to area. The rate on improvements is one-fourth of one per cent. Titles are taxed five cents on each *peso* or other unit. On the subject of land titles something will be said later.

The reform most needed in the Dominican tax system was the substitution of direct taxation for much of the prevailing mass of indirect taxes and licenses. The property tax was the logical remedy. The income tax would have no opportunity among a people of such general poverty. Practically the entire wealth of the country is in the form of land and natural resources connected with the land. This wealth the new tax seeks to reach. The writer cannot approve of the progressive rate of the land tax, and the discrimination in favor of improvements smacks a bit too much of the single

tax. But, on the whole, the measure is a wise one. It marks a long step forward on the road to sound taxation and industrial progress.

### THE PROBLEM OF LAND TITLES

Of all the problems before the Military Government the most difficult is that which has to do with the extraordinary condition of land titles in the Dominican Republic. This is a subject which has never received adequate study. Its maze of historical ramifications and legal technicalities is both fascinating and bewildering. It is not possible here to present more than a brief general summary of the historical development and present status of land titles.

Land titles in Santo Domingo are in a state of chaos. It is safe to say that in the whole country there is not a single perfect title, as we understand the matter. The original grants were made in the distant past and are shrouded in mystery. There has never been a system of recording titles that deserves the name. At different times the country has been under the rule of Spain, France, Haiti, and numerous Dominican "republics." Each has done its best to undo the work of its predecessors and destroy their records. When to this situation is added an almost "continuous performance" of revolutions and bandit forays, one can readily understand the fate that has befallen most of the records, kept in the palm huts of the village notaries. Records of original grants as well as of later transfers have generally been lost or destroyed.

But this is not the worst of it. The most serious difficulties arise from the peculiar system of common lands (*terrenos comuneros*), which are tracts owned in common by a number of persons without division among the owners. These communal lands appear to have had their origin in the period of the Spanish Government. The crown granted to various persons large tracts, whose boundaries were described more or less indefinitely by reference to geographical features, such as the sea, a river, a range of mountains, etc.; the geographical names employed were those in common use among the natives at the time. When the owner of a grant died, it was not customary to divide the land among his heirs. Instead a notary public was employed to set a money value upon the whole tract and to give to each heir a title of a certain money value representing his share of the whole. These shares, expressed in *pesos*, are known as "*acciones*" or "*peso* titles." The device may be understood by comparing it with the ordinary joint stock corporation, in which each share represents the stockholders' undivided interest in the rights of the whole corporation.

When the owner of *peso* titles died his share would be distributed among his heirs without any division of the land, and so on for generation after generation. *Peso* titles were sold from time to time, without specifying any particular part of the original tract as passing to the purchaser. Loss and destruction of records of these transactions made a bad matter worse.

There was also wholesale fraud, opportunity for which is obvious. An owner frequently sold to different purchasers titles whose aggregate was many times his entire share. Counterfeit titles have been manufactured, often with the aid of dishonest notaries, and sold in large quantities to trusting purchasers.

The result of centuries of this sort of thing is a chaos of land titles which beggars description. No land survey has ever been made. Most of the land is in these undivided tracts. The country is flooded with *peso* titles, some genuine, some counterfeit, and none free from suspicion. The *peso* values stated in the titles bear no relation whatever to the value of the land; and it is often impossible, from the wording of any particular *peso* title, to locate exactly the land to which it refers.

Occupation of land and ownership of land titles have little connection with each other. Many owners of *peso* titles have never occupied the lands to which their titles refer. Others have occupied and cultivated parts of their tract with scant regard to the rights of the other *peso* owners. Still other "squatters" are in possession of lands to which they have no title whatever. Land is so abundant that this sort of informal possession has grown up easily. It is almost impossible to decide as between the present rights of squatters and of title holders. The Dominican laws on the subject are not clear, particularly with reference to *terrenos comuneros*.

Occasional efforts have been made to clear up the tangle of land titles. Back in the middle of the eighteenth century, disputes between co-owners and between owners and squatters led to the appointment of a judge to examine titles and protect the legitimate owners. But little was accomplished; and the new titles, *amparos reales*, issued to certain owners, only served to add to the confusion. Recently the Dominican Congress, in 1912 and 1915, has taken a hand and passed certain laws. This legislation was ambiguous, has not been enforced, and has accomplished nothing.

The whole problem is thus handed on to the Military Government. It has shown some natural hesitation to tackle the gigantic task. But the obligation could not be avoided. If for no other reason, the new property tax will never function satisfactorily with land titles in their present state. The Government now has a commission investigating the whole subject, and at last the problem appears to be on the road to settlement. Nothing that could be done would go farther to promote sound finance, to encourage investment of capital and business development, and to justify the presence of the military power of the United States.